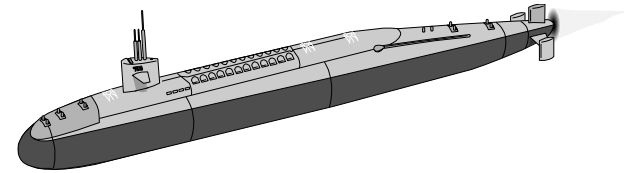
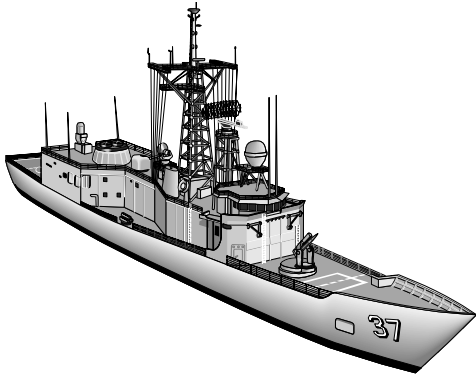


NAVSEA OPN Active Fleet Outfitting



Budget and Execution Processes

Audrey Woodward

Allowance Control Panel Conference

21 July 1998

Fleet Logistics Support

Team



OPN Outfitting Overview

- **Background**
 - * *What the Account Pays For*
- **Budget Development/Justification**
 - * *Centralized Headquarters Budget Development*
 - * *Building Blocks*
 - * *PSD Data Flow*
 - * *Special Programs*
- **Budget Execution/Financial Management**
 - * *Funding Control*
 - * *Execution*
- **Complexities**
 - * *Budget vs. Execution*
- **Funding Projections**
- **Execution Initiatives**
- **Summary**



OPN Outfitting

What the Account Pays For

● **OPN Outfitting Funds:**

** All Changes to “Baseline” Allowance List*

- ✓ From OWLD - End of New Construction Funding*
- ✓ Through Life of Ship - Decommissioning*

** Spares and Repair Parts Support for Equipments That Have Reached (MSD) and Are Fully Supported by the Navy Supply System*

✓ MODERNIZATION

- New Equipment/Weapons System Installations*

✓ MAINTENANCE

- Alteration of Previously Installed Equipment Configuration*

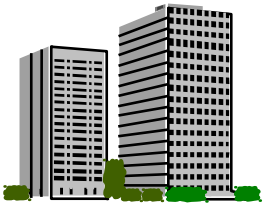
✓ CNO Approved Special or Unique Allowance Changes or Equipage Items

● **OPN Outfitting Represents:**

- * “Buy-Out” of a Lead Time Earlier NAVICP-M “Buy-In”*
- * “Buy-Out” of DLA and Other ICPs*



OPN Outfitting Centralized Headquarters Budget Development



Hardware Systems Commands (HSCs)

- NAVSEA/SPAWAR/NAVAIR PMs/PEOs Submit PSD
 - To SEA 04L4 and NAVICP-M
- Equipment/Weapon System Level
 - Item/Cost/Installation Schedule
- 93,000+ Post-MSD Installations

Special Programs

- Multi-Source Inputs (Examples)
 - Equipage (Night Vision - Crane)
 - COSAL Maint (NAVICP-M New Allowances)
 - Q COSAL (SEA 08)
 - Special Projects:
 - * MHC/MCM Reprovisioning (PMS 303)
 - * Med/Dent (NAVMEDLOG)
 - * CARPER (N88/PMS 312)
- Greater than 50% Of Budget

Equipment or Weapon System

Special Programs

Program Support Data (PSD)

- 2,500+ in PARTS Database
- 80+ Offices Submit PSD

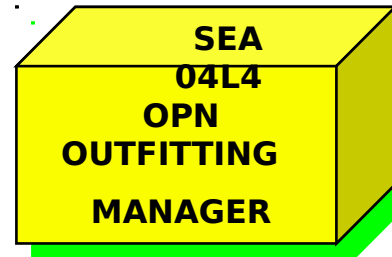


NAVICP Mechanicsburg

Uses PSD to:

- Estimate Allowance Costs (Navy and DLA)
- Negotiate Material Support Dates
- 'Buy-In' Spares Using NWCF \$
 - Lead-Time Before Need

Buy-In Costs



SEA 041

- Consolidates Inputs...Scrubs Requirements
- Studies/Analyses to Refine Projections
- Computes Buy-Out Costs and DLA Costs Using PSDs and NAVICP-M Buy-In Costs (Buy-In/Buy-Out Using Same ICP Pricing)
- Validate Requirements Twice a Year With N412/PMs/ICP On-site Reviews
- Prepares/Submits/Defends POM and Budget Requests

POM

- Assessment Sponsor: N41
- Resource Sponsors:
N096/N6/N85/N86/N87/N88

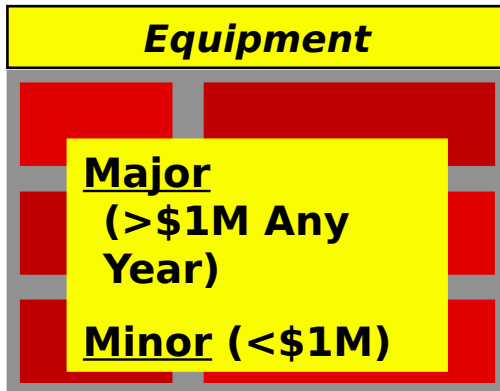
BUDGET

- FMB Reviews with NWCF Buy-In Budget

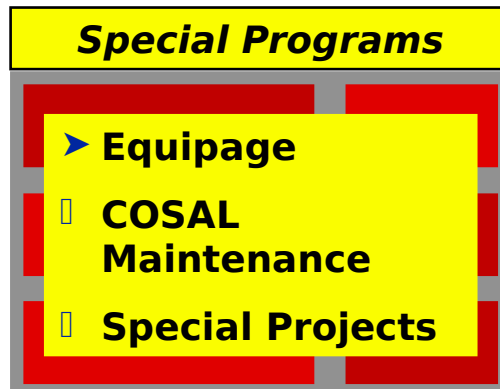


OPN Outfitting Budget Development

The Building Blocks...



- Supported by Program Support Data (PSD)
- Buy-Out of NWCF Buy-In
- Navy and DLA Costs



Examples:

- 1) Site COSAL Maintenance and Q COSAL
- 2) Battle Dress, Night Vision Devices
- 3) Carrier Planned Equipment Replacement (CARPER) and Medical/Dental Material

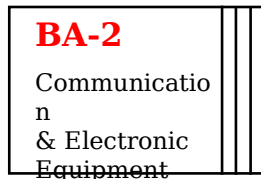


OPN Outfitting Budget Development

Modernization: PSD Data Flow... to OPN

Buy-Out Example

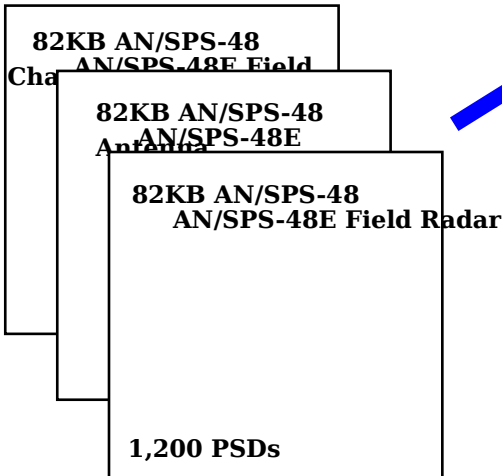
An Example:



**P-1 Exhibit
(End Item Budget)**

82KB AN/SPS-48

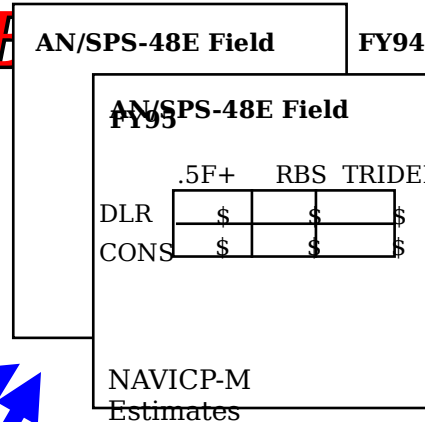
120
Programs



PSD Install Schedule

AN/SPS-48E Radar					
ICP Buy-In	Site/Hull	MRD	SR C	A T C	U T C
1997	CV N73	2/99	N	003	V

21,000 Post-MSD
Installations



+ NWCF
SURCHARGE
+ DLA COSTS

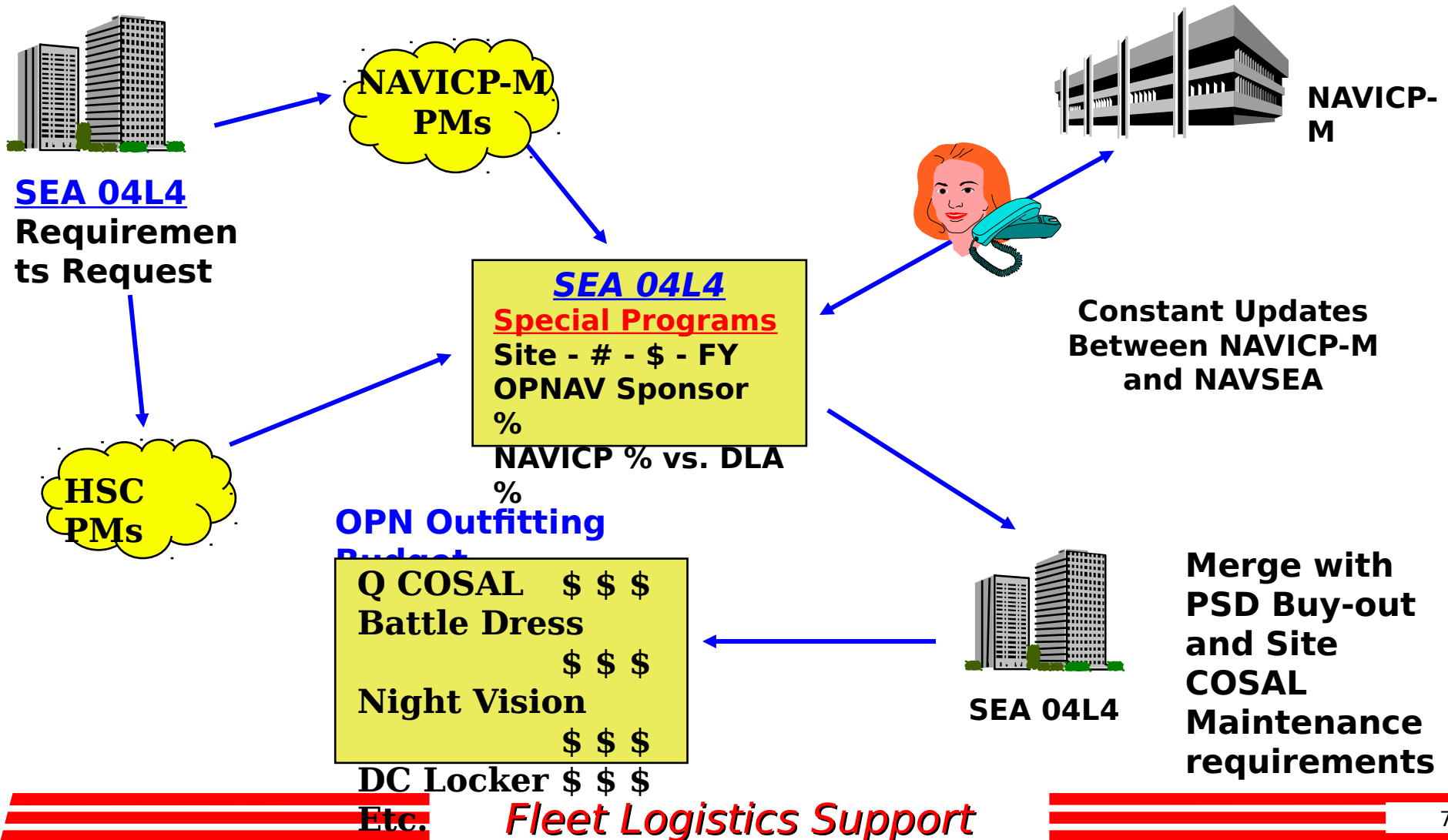
NAVSEA Buy-Out

Program	\$ \$ \$
xxxxxxxxxx	\$ \$ \$
AN/SPS-48	\$ \$ \$
yyyyyyyyyy	\$ \$ \$
zzzzzzzzzz	\$ \$ \$

Fleet Logistics Support
Team

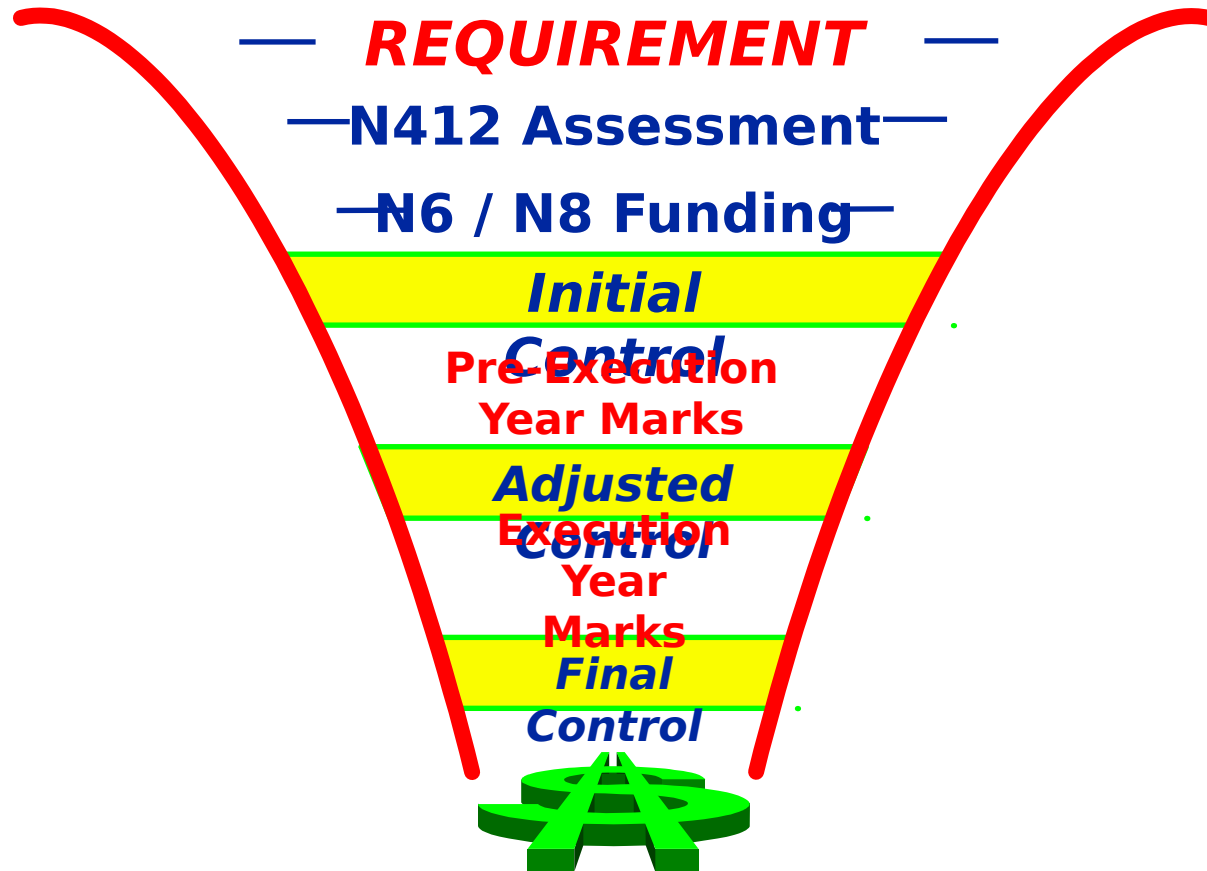


OPN Outfitting Budget Development Special Programs





OPN Outfitting Obtaining Funding Control



**Execution Year Control Has Recently
Fallen Far Short of Requirement**

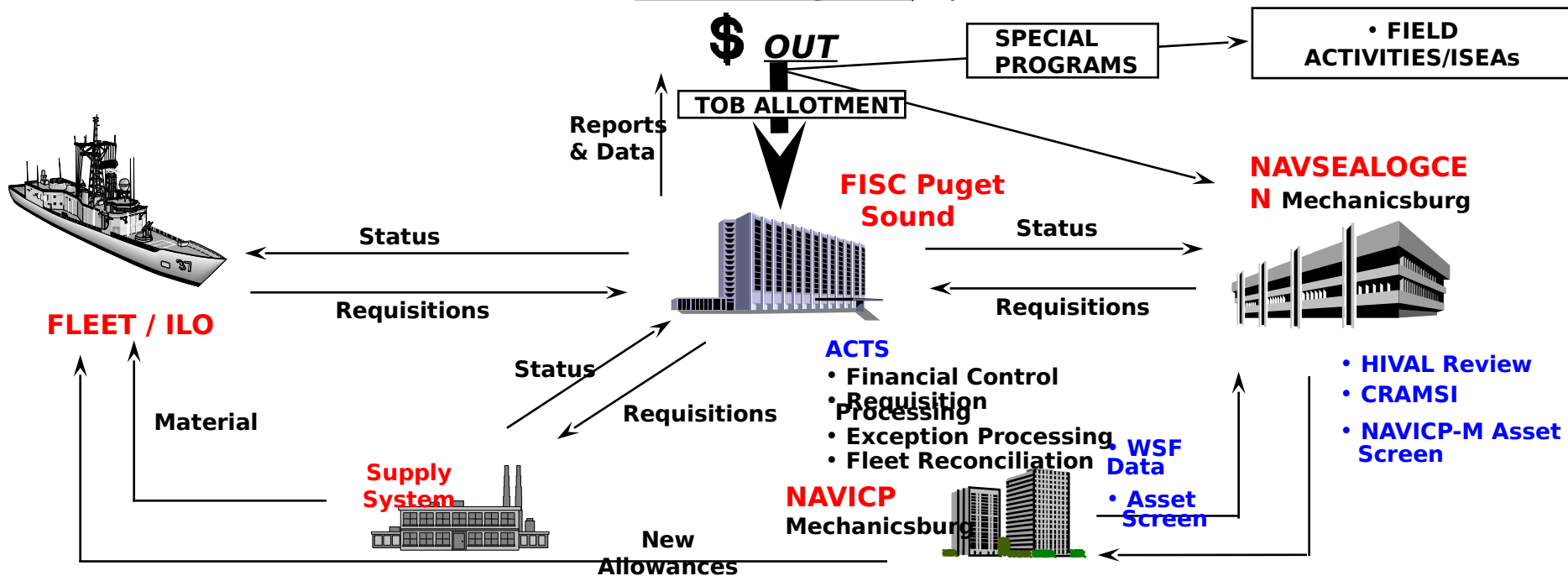


OPN Outfitting Decentralized Execution

Funding Control

SEA 04L4 CONTROLS:

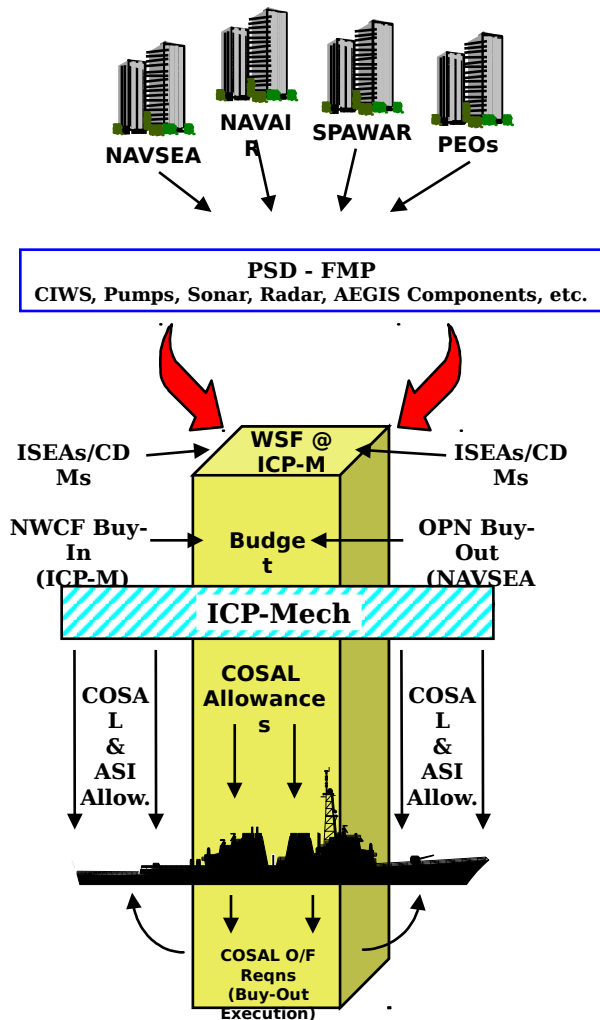
- (1) OUTFITTING EXECUTION \$
- (2) POLICY GUIDANCE FOR:
 - FISC PUGET SOUND
 - NAVSEALOGCEN
 - FIELD ACTIVITIES





OPN Outfitting

Complexities: Budget vs. Execution



Develop Budget with...

- Multiple Program Sponsors *at the*
- Equipment Level *with*
- Provisioning by 22 ISEAs

But,...

Execute at Ship Level for Complex Allowances:

- Multiple Products
- Free-Flow (Monthly ASI)
- Requisitions Independently Submitted

from

Fleet Logistics Support

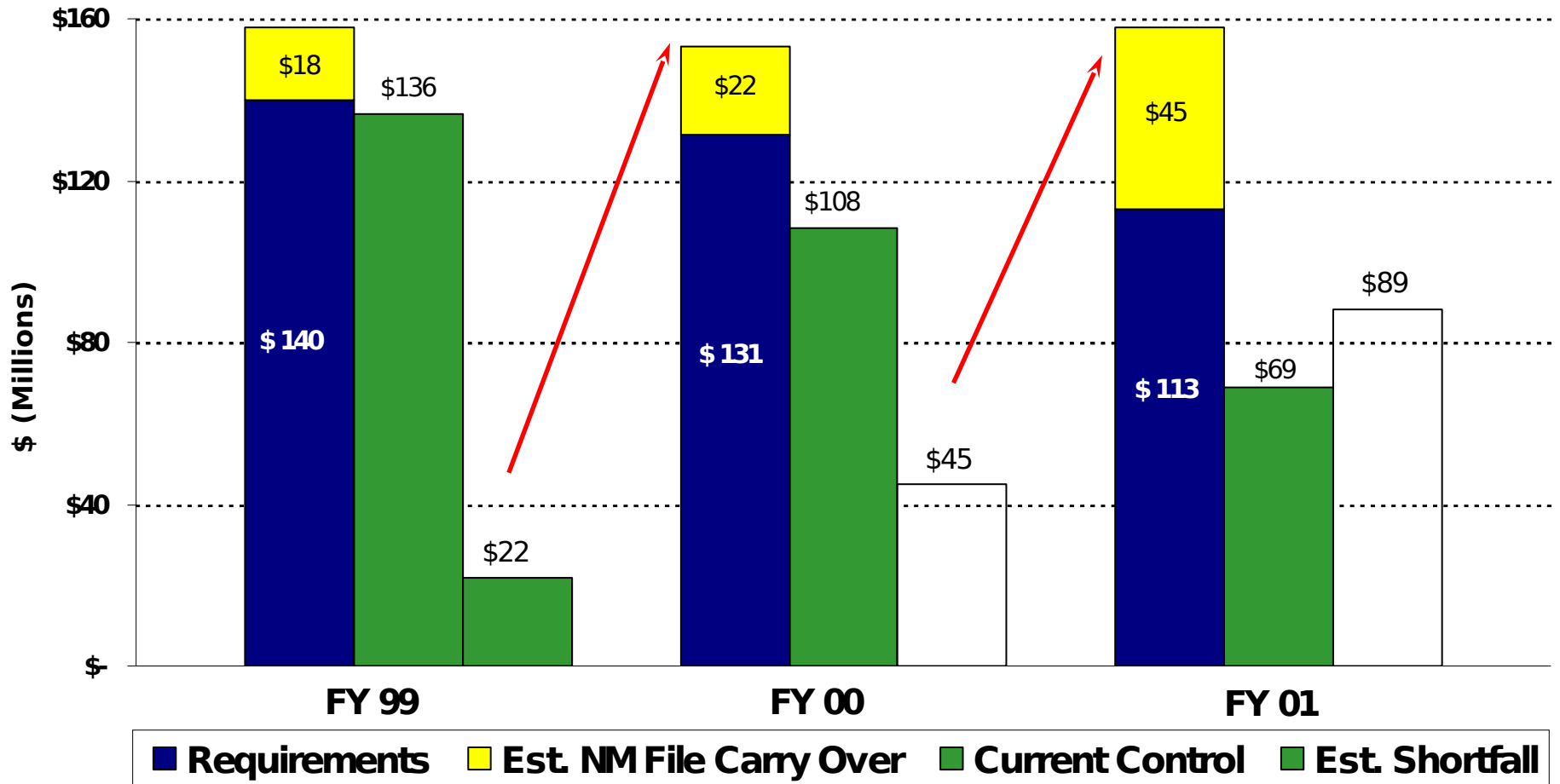
All Ships (330+), and Shore



OPN Outfitting

FYs 99-01 Funding Projections

Data as of: 17 July 98





OPN Outfitting Execution Initiatives

- **NAVSEA Coordinated Initiatives to Use Limited Funding Effectively and Efficiently:**

- * ***Validate All Requisitions > \$300***
- * ***Screen Residual Asset Databases (CRAMSI/RAM) for Potential "Free Issue"***
- * ***Screen Availability of NAVICP-M Material Before Obligating Requisition***
- * ***Aggressively Recoup and Reuse Funds From Cancellations or Deobligations***
- * ***Initiated Fleet/NAVSEA Prioritization in June 95 and Again in April 96 ... Continued Through FY97 and FY98***

- **PR 99 Directed Initiatives to Reduce Requirements Funding Cut in FY 99 and Out**

- * ***Reduce Maintenance Churn: Reprovisioning Gatekeeper***
 - ✓ ***Controlled Allowance Production***
- * ***Reduce Number of COSALs: COSAL Decision Process/ACP***

**PR 99
Formalized Demand
Reduction**

Controlled COSAL Production

Fleet Logistics Support

- * ***Use MAMS as Spares***



OPN Outfitting Summary

Current Climate

- **Current Funding Environment Does Not Fully Support Today's Requirements**
- **No \$\$s for Emergent Requirement Increases ... Must Be Budgeted For Through The POM Process**
- **Any Increase in Allowances Will Result in Unfunded Requirements Causing No Money (NM) File Growth!**

What Next ...

- **Improve Allowance Process**
 - * ***Control Inputs From Numerous ISEAs/CDMs***
 - * ***Outputs ... We Can't Afford to Continue to Free-Flow***
- **ACP Should Revisit Decision To Complete Tailored Allowances For Non-Priority Ships**

